GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA

STARRED QUESTION NO:299
ANSWERED ON:10.08.2001
FLOUR MILLS
VINAY KUMAR SORAKE

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether flour mills in the North are facing difficulty in the procurement of wheat at affordable prices and whether 70 out of 120 flour mills have closed down;

(b) if so, the details thereof;

(c) whether the facility of FCI`s Open Market Sales Scheme is extended to flour mills also;

(d) if so, the details thereof;

(e) whether there are allegations that the price structure evolved by FCI for its OpenMarket Sales Scheme (for wheat) is discriminatory; and

(f) if so, the details thereof and the corrective steps initiated by the Union Government?

Answer

THE MINISTER OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (SHRI SHANTA KUMAR)

(a),(b),(c),(d),(e)&(f) : A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a),(b),(c),(d),(e)&(f) OF STARRED QUESTION NO 299 DUE FOR ANSWER ON 10-08-2001 IN THE LOK SABHA.

(a)&(b): It is not correct that flour mills in the North are facing difficulty inprocurement of wheat at affordable prices. Information relating to closure of flour mills is being collected.

(c)&(d): Yes, Sir. The rates fixed for various Zones under the Open Market Sales Scheme (Domestic) are indicated below :-

Zone	Rate per quintal
North	Rs.650/-
South	Rs.720/-
West	Rs.695/-
East/North East	Rs.705/-

(e)&(f): As authorised by the Government, open sale rates of wheat are fixed by the Hig h Level Committee (HLC) of the Food Corporation of India (FCI) on monthly basis after reviewing the lifting position.These rates are being fixed Zone-wise after taking into account the Zonal economic cost of wheat as maintained by FCI and other relevant factors like carrying costs, tax components, transportation charges, etc. However, a proposal to streamline the basis of rate structure further is under consideration.